

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-11 NSAE-00 RSC-01 FAA-00 L-03 H-03 SS-20

NSC-07 IO-14 DRC-01 PA-04 PRS-01 USIA-15 /126 W

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P 281745Z AUG 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 1855

UNCLAS SECTION 01 OF 02 PARIS 20500

E.O. 11652: N/A

TAGS: EAIR, FR

SUBJECT: CIVAIR: FRENCH ITC REGULATIONS

REF: PARIS 20200

1. SUMMARY: PANAM ALSO CONCERNED OVER REPORTS CAB OPPOSED TO FRENCH-ORIGIN WEEKEND ITC'S. PANAM CLAIMS IT STANDS TO LOSE \$1-1.5 MILLION IN BUSINESS. SINCE AIR FRANCE CONTINUES ACTIVELY MARKET WEEKEND ITC'S NOTWITHSTANDING REPORTED AWARENESS CAB COOLNESS, PANAM FEARS EVENTUAL GOF INTERCESSION WITH USG IF SUCCESSFUL WOULD GIVE AIR FRANCE MARKETING LEAD. ACTION REQUESTED: EARLY INDICATION CAB POSITION.

2. REYNAUD, DIRECTOR OF PASSENGER SERVICES FOR PANAM IN PARIS, CONTACTED EMBASSY AUGUST 28 RE WEEKEND ITC'S INDEPENDENTLY OF EARLIER APPROACH THAT WAS SUBJECT OF REFTEL. HE SAID THAT PANAM HEADQUARTERS HAD REPORTED TO PARIS OFFICE SERIOUS CONCERN AT WHAT HEADQUARTERS UNDERSTOOD TO BE HIGHLY NEGATIVE CAB ATTITUDE TOWARD GOF REGULATION AUTHORIZING WEEKEND ITC'S TO US (PARIS 17071). REYNAUD SAID THAT PANAM HAD NEGOTIATED SERIES OF 15-20 WEEKEND ITC'S WITH CREDIT AGRICOLE FOR PERIOD NOV. 1-1974 - MARCH

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31, 1975 AND WHOLE NEW MARKET FOR WEEKEND ITC'S

WAS ALSO OPENING UP FOR TRIPS BY GROUPS OF FACTORY WORKERS. IF WEEKEND ITC'S NOT PERMITTED BY CAB, SAID REYNAUD, PANAM STANDS TO LOSE \$1-1.5 MILLION IN BUSINESS IN ABOVE PERIOD.

3. REYNAUD SAID THAT JET TOURS, OWNED BY AIR FRANCE, IS CURRENTLY MARKETING WEEKEND ITC'S TO US (AT 1,500 FR. PER PASSENGER) AND LATEST JET TOURS SALES BROCHURE JUST ISSUED PROMINENTLY ADVERTISES WEEKEND ITC'S. PANAM UNDERSTANDS THAT JET TOURS PRINCIPALS READILY CONFESS THAT WEEKEND ITC'S MAY ENCOUNTER "SOME TROUBLE" WITH CAB BUT THEY HAVE GIVEN ORDERS TO CONTINUE ACTIVELY MARKETING WEEKEND ITC'S TO US NONETHELESS. REYNAUD SAID THAT PANAM FEARS AIR FRANCE WILL IF NECESSARY GET GOF TO GO TO BAT FOR IT WITH USG IN CONTEXT US-FRANCE BILATERAL CIVIL RELATIONS IN EFFORT OBTAIN CAB WAIVER TO PERMIT OPERATION OF FRENCH-ORIGIN WEEKEND ITC'S TO US. IN THIS CONNECTION REYNAUD RECALLED WHAT HE SAID HAD BEEN APPARENT REVERSAL OF CAB POSITION OPPOSING SIX DAY GERMAN ORIGIN ABC'S TO US AFTER FRG DEMARCHE, WHICH HAD RESULTED IN LOST BUSINESS FOR PANAM BECAUSE OF LOST LEAD TIME IN MARKETING. IF CAB IS INDEED NOW OPPOSED TO FRENCH ORIGIN WEEKEND ITC'S AND IF CAB WERE EVENTUALLY TO MODIFY ITS POSITION BECAUSE OF GOF PRESSURE, PANAM WOULD AGAIN LOSE OUT SINCE IT MUST SUSPEND PRESENT MARKETING OF WEEKEND ITC'S PENDING CLARIFICATION

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INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-11 NSAE-00 RSC-01 FAA-00 L-03 H-03 SS-20

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P 281745Z AUG 74

FM AMEMBASSY PARIS
TO SECSTATE WASHDC PRIORITY 1856

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OF THE SITUATION WHILE AIR FRANCE CONTINUES
ACTIVELY WITH ITS PLANNING AND SELLING OF THOSE
FLIGHTS.

4. WE ALERTED REYNAUD TO USTS CONCERN ABOVE
SUBJECT AS REPORTED REFTEL. WE INDICATED THAT
WE WOULD PROMPTLY REPORT PANAM'S CONCERN TO
WASHINGTON SO THAT ACCOUNT COULD BE TAKEN OF ITS
VIEWS TOO AS INTERESTED WASHINGTON AGENCIES
PREPARED THEIR RESPONSE TO OUR EARLIER MESSAGE.
WE RECALLED THAT AT CHARTER TALKS LAST JANUARY
FRENCH DEL HAD INFORMALLY QUERIED US DEL RE
SHORT-DURATION ITC'S (PARIS 2266); FRENCH DEL HAD
THEN ALLEGED THAT QUERY WAS BASED ON PANAM
INTEREST THOUGH THIS HAD NOT BEEN BORNE OUT
(STATE 19029). EMBASSY HAD SUSPECTED FRENCH
DEL FLOATED THE IDEA AT AIR FRANCE INITIATIVE
(SEE RCAA LETTER TO MEADOWS JANUARY 31), WHICH
PROBABLY HAD BEEN THE CASE SINCE SGAC SUBSEQUENTLY
HAD ISSUED ITS ITC REGULATIONS VERY QUIETLY
WITHOUT FURTHER ADVANCE CONSULTATION TO ASCERTAIN
WHETHER WEEKEND ITC'S MIGHT BE ACCEPTABLE TO US.

5. ACTION REQUESTED: EMBASSY WOULD APPRECIATE
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EARLY WORD ON CAB POSITION RE FRENCH-ORIGIN ITC'S
AS REQUESTED REFTEL, THUS ENABLING US BETTER ASSESS
POSSIBLE IMPLICATIONS THIS QUESTION FOR US CARRIERS
OPERATING OUT OF FRANCE AND FOR US-FRANCE
BILATERAL CIVIL AIR RELATIONSHIP.
STONE

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